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INDEPENDENT ACCOUNTANTS' REPORT ON  
MONTANA CASH DRAWINGS

Montana State Lottery

*June 30, 2004*

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MONTANA LEGISLATIVE BRANCH, AUDIT DIVISION  
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INDEPENDENT ACCOUNTANTS' REPORT ON  
MONTANA CASH DRAWINGS

**Montana State Lottery**

*June 30, 2004*

**GALUSHA,HIGGINS & GALUSHA**

A Professional Corporation of Certified Public Accountants and Advisors

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## Montana State Lottery

*June 30, 2004*

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# LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor  
John W. Northey, Legal Counsel



Deputy Legislative Auditors:  
Jim Pellegrini, Performance Audit  
Tori Hunthausen, IS Audit & Operations  
James Gillett, Financial-Compliance Audit

August 5, 2004

The Legislative Audit Committee  
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana State Lottery Observations for the fiscal year ended June 30, 2004.

The audit was conducted by Galusha, Higgins & Galusha, PC, under a contract between the firm and our office. There are no recommendations in this report

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Seacat".

Scott A. Seacat  
Legislative Auditor

04C-03

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**Montana State Lottery**  
**COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS**  
*June 30, 2004*

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<u>COMMISSION MEMBERS</u>	<u>RESIDENCE</u>
Robert Crippen, Chairperson	Butte
Betty Wilkins	Missoula
Donald J. Sterhan	Billings
Clifford Brophy	Columbus
Thomas M. Keegan	Helena

**ADMINISTRATIVE OFFICIALS**

Gerald J. LaChere, Montana State Lottery Director  
L. John Onstad, Montana State Lottery Director of Security



**Montana State Lottery**  
**INTRODUCTION, BACKGROUND, AND REPORTABLE OBSERVATIONS**  
*June 30, 2004*

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**INTRODUCTION**

We performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2004:

- 1) Witnessed and reported on each Montana Cash drawing;
- 2) examined all lottery drawing equipment prior to and after each drawing; and
- 3) tested compliance with applicable statutes and regulations.

**BACKGROUND**

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which players purchase from the State, through the administration of the Montana State Lottery, a chance to win a prize.

**REPORTABLE OBSERVATIONS**

In addition to the independent accountants' report on agreed-upon procedures, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and our recommendations to the State and the Montana State Lottery. We have nothing to report in those areas.



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To the Commissioners  
Montana State Lottery  
Helena, Montana

We have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana State Lottery for the year ended June 30, 2004. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures we performed and our findings are summarized as follows:

1. We read the "Montana Cash Drawing Procedures." In performing this and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker, and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.
4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.



To the Commissioners  
Montana State Lottery

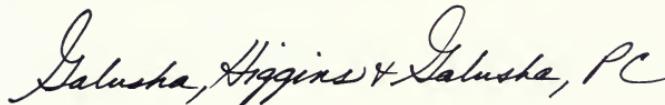
5. We observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.
6. We observed the performance of the post-drawing tests, recorded the results and determined that the applicable procedures were followed.
7. We observed the resealing of the ball sets, ball locker and machine cabinet door.

We have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by us. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2004. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Montana State Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive ink that reads "Galusha, Higgins & Galusha, PC". The signature is fluid and written in a single continuous line.

GALUSHA, HIGGINS AND GALUSHA, PC  
Certified Public Accountants and Advisors

Helena, Montana  
July 1, 2004



## Montana State Lottery

### STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2004*

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The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

<u>Date</u>	<u>Winning Numbers</u>				
July 2, 2003	14	13	19	35	27
July 5, 2003	9	16	22	27	35
July 9, 2003	15	4	28	29	6
July 12, 2003	32	26	9	29	3
July 16, 2003	16	34	1	35	25
July 19, 2003	6	20	2	30	4
July 23, 2003	20	27	7	34	3
July 26, 2003	16	6	13	29	4
July 30, 2003	23	10	18	11	32
August 2, 2003	13	30	18	37	14
August 6, 2003	11	2	26	4	12
August 9, 2003	3	22	18	10	13
August 13, 2003	35	2	8	32	1
August 16, 2003	1	14	17	13	26
August 20, 2003	16	6	27	37	4
August 23, 2003	37	15	36	7	27
August 27, 2003	25	30	23	6	35
August 30, 2003	15	11	33	27	20
September 3, 2003	20	15	18	6	31
September 6, 2003	27	16	8	31	32
September 10, 2003	7	20	4	3	29
September 13, 2003	11	2	26	17	28
September 17, 2003	8	25	9	19	31
September 20, 2003	24	1	34	19	29
September 24, 2003	24	16	26	13	15
September 27, 2003	17	8	15	7	10
October 1, 2003	20	5	14	31	35
October 4, 2003	6	5	21	15	3
October 8, 2003	28	33	18	25	31
October 11, 2003	14	10	32	17	3
October 15, 2003	4	9	25	19	8
October 18, 2003	27	23	13	19	36
October 22, 2003	9	14	20	34	21
October 25, 2003	6	19	35	28	5
October 29, 2003	3	4	14	34	15

Continued



## Montana State Lottery

### STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2004*

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<u>Date</u>	<u>Winning Numbers</u>				
November 1, 2003	31	18	21	3	8
November 5, 2003	19	14	11	1	6
November 8, 2003	6	26	37	8	16
November 12, 2003	19	7	20	25	31
November 15, 2003	25	18	17	32	11
November 19, 2003	7	28	20	16	35
November 22, 2003	2	32	12	18	28
November 26, 2003	29	19	31	18	25
November 29, 2003	20	11	5	13	3
December 3, 2003	25	31	19	13	12
December 6, 2003	30	15	26	28	32
December 10, 2003	32	11	35	6	16
December 13, 2003	31	15	7	5	17
December 17, 2003	17	1	12	13	35
December 20, 2003	2	3	34	29	22
December 24, 2003	10	28	19	26	29
December 27, 2003	37	21	35	7	22
December 31, 2003	8	29	7	20	34
January 3, 2004	9	14	10	24	21
January 7, 2004	23	34	17	14	35
January 10, 2004	16	27	9	22	23
January 14, 2004	23	2	37	6	3
January 17, 2004	34	24	7	35	3
January 21, 2004	13	16	6	1	10
January 24, 2004	25	31	33	26	36
January 28, 2004	18	11	28	1	25
January 31, 2004	32	8	11	37	12
February 4, 2004	35	12	1	17	18
February 7, 2004	11	33	16	23	30
February 11, 2004	30	13	6	22	2
February 14, 2004	27	3	5	7	25
February 18, 2004	16	34	17	20	19
February 21, 2004	20	2	5	25	27
February 25, 2004	20	2	15	19	36
February 28, 2004	6	10	37	27	4

Continued



## Montana State Lottery

### STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2004*

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<u>Date</u>	<u>Winning Numbers</u>				
March 3, 2004	37	8	23	26	29
March 6, 2004	9	8	29	36	24
March 10, 2004	24	4	19	28	21
March 13, 2004	3	13	35	16	8
March 17, 2004	22	12	37	26	7
March 20, 2004	24	2	36	23	30
March 24, 2004	8	9	7	13	1
March 27, 2004	2	25	7	10	24
March 31, 2004	7	34	14	25	5
April 3, 2004	29	9	26	36	25
April 7, 2004	34	30	10	24	16
April 10, 2004	22	10	15	4	14
April 14, 2004	12	28	3	20	23
April 17, 2004	8	18	34	3	37
April 21, 2004	34	10	11	16	32
April 24, 2004	26	17	21	18	9
April 28, 2004	33	11	13	25	18
May 1, 2004	35	29	31	3	20
May 5, 2004	7	2	28	36	37
May 8, 2004	18	35	14	12	21
May 12, 2004	26	24	31	13	9
May 15, 2004	21	3	8	23	26
May 19, 2004	32	21	20	26	31
May 22, 2004	29	14	8	9	5
May 26, 2004	12	14	28	35	19
May 29, 2004	29	23	17	2	24
June 2, 2004	34	2	15	35	16
June 5, 2004	18	8	17	20	34
June 9, 2004	5	28	22	33	15
June 12, 2004	15	3	23	9	29
June 16 2004	2	22	32	5	36
June 19, 2004	32	31	34	8	26
June 23, 2004	36	7	34	13	18
June 26, 2004	23	1	14	24	8
June 30, 2004	12	27	30	14	34

Concluded





